

WASHINGTON – U.S. Rep. Jo Bonner, R-Alabama, introduced legislation today to prevent BP from receiving potentially hundreds of millions of dollars in tax deductions as a result of the 2010 Deepwater Horizon oil spill. Bonner's bill would deny BP – and all other responsible parties associated with the Deepwater Horizon explosion that killed 11 people and dumped more than 4.9 million barrels of oil into the Gulf of Mexico – the ability to get a significant tax break for their involvement in the Gulf oil spill.

"More than two and half years after the worst man-made disaster to ever strike the Gulf Coast, BP is reportedly in final negotiations with the Justice Department that would allow the company to get a gigantic tax write-off for some of its penalty payments," Bonner said. "The mere thought that Eric Holder's Justice Department would cut any deal that allows BP to benefit from its recklessness, irresponsible and deadly behavior is simply outrageous."

"In addition to the 11 deaths – 12 if you count Gulf Shores boat Captain Allen Kruse – residents and businesses in the five Gulf states remember all-too-well the disruption to our lives along the Gulf Coast, as well as the economic and environmental havoc that the oil had on our pristine coastal environment," Bonner said.

Bonner's bill is directly aimed preventing BP from gaining "a tax-break for fouling our beaches and polluting the Gulf."

The bill was introduced in Washington during a pro-forma session of the House of Representatives.

Bonner's legislation would amend the trade and business expenses section of the Internal Revenue Code to disallow any deduction for compensatory payments made to "any person or government entity on account of the April 20, 2010, explosion and sinking of the offshore drilling unit Deepwater Horizon."

Citing widespread media reports, Bonner said the Obama Justice Department "is aggressively squeezing the five states of Alabama, Florida, Mississippi, Texas and Louisiana into accepting a single, global settlement for both the Clean Water Act (CWA) fine money and the National

Resource Damage Assessment (NRDA) fines."

If such a settlement is structured to over represent damages under NRDA, the RESTORE Act, which the president signed into law on July 6, 2012, would be circumvented, effectively limiting local control over how those fines are administered. Instead, under a global settlement that significantly overfunds NRDA, the federal government and Washington bureaucrats would once again be put in charge of how this money could be spent and on what projects.

Earlier this month, in a bipartisan show of solidarity, eight U.S. Senators and several of Bonner's colleagues in the House, from Florida to Texas, sent letters to both Holder and President Obama strongly opposing any agreement that would circumvent the RESTORE Act.

For release: October 26, 2012